

State of Louisiana



M.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

MONICA T. SURPRENANT
CHAIRMAN

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL BOARD

SPECIAL NOTICE

SPECIAL NOTICE

**TO: ALL COMPANIES AND INDIVIDUALS DOING BUSINESS
WITH THE STATE MINERAL BOARD**

FROM: FREDERICK D. HECK
CHIEF LANDMAN

DATE: April 18, 2002

NOTE: Multiple portion bids on the same tract may be accepted by the State Mineral Board, even though they overlap. In the case of overlapping portion bids on the same tract, each of which is otherwise acceptable to the State, the State Mineral Board will indicate which one of the multiple bids on the same tract is most acceptable, considering the royalty, per acre cash payment, bonus, any additional consideration and what, in the sole discretion of the Mineral Board, is in the best interest of the State, and that bid (referred to as "Bid A") will be given priority in having a lease issued. The State Mineral Board will also indicate the acceptability of other portion bids on the same tract, if any, in the order of their acceptance (referred to respectively as "Bid B", "Bid C", etc.). Once the plat of "Bid A" 's portion has been rendered as accurately as possible, "Bid B" will be contacted and given an option to take a lease on the remaining portion of his portion bid acreage not overlapping "Bid A" 's bid portion, at "Bid B" 's per acre bid price (both as to bonus and rental); and thereafter, each successive bidder whose bid is otherwise acceptable will be given the option to take a lease on whatever portion remains of his portion bid acreage at his respective per acre bid price, less and except any prior portion bid acreage on which the successful bidder has opted to take a lease.